

# Minutes

#### **Wisconsin Small Business Environmental Council**

July 21, 2009

Wisconsin Department of Commerce 201 W. Washington Ave. Madison, WI 53703 Conference Room 6A 9:15 A.M.-2:00 P.M.

Members Present: Mike Simpson, Jeanne Whitish, Mark McDermid, Carl Komassa,

Steve Aldridge, Dan Martino Jr.

**Absent:** Jerry Jones

Commerce Staff: Renee Lesjak Bashel, Jean Beckwith, Tom Coogan

Guests: Secretary Dick Lienenkugel (Commerce), Secretary Matthew Frank (DNR)

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Meeting was called to order at 9:40. Jean began her term as chair of the council. Tom relayed to the council Jerry Jones is interested in becoming vice-chair of the Small Business Environmental Council. A vote of all members present approved. His term will begin at our next meeting. Tom provided an update on council vacancies. There are two vacancies (Senate Minority Leader and Commerce representative) on the council. Tom will continue following up with legislators and Commerce management to fill these important positions.

# Matthew Frank - Secretary (DNR)

Matt thanked everyone on the committee for their volunteerism. It is important to have private sectors help so government can do a better job. He grew up working in his family's grocery store and appreciates the small business environment. Wisconsin has great economic and environmental standards. Secretary Frank stressed that we can have wonderful natural resources as well as a great business climate.

The DNR and Commerce's relationship is closer than ever and are both focusing on meeting with all kinds of regional economic development groups. It is better to come in early in the process and he sees the SBEC helping with such programs as GreenTier, Brownfields remediation, cleaner conservation, growing the economy and the environmental process.

#### Dick Leinenkugel – Secretary (Commerce)

Dick gave his background in the family brewery business. They thought like a small business which made them successful. Later, a joint venture with Miller Brewing led them to become what they are today.

The relationship between agencies (Commerce and the DNR) has become a stronger partnership than in the past. Both are interested in how they can support small businesses.

Matthew Frank and Dick Leinenkugel answered questions from council members:

Q) What would you do to bring business to Wisconsin?

**Dick:** Our quality of life, quality of our workforce, natural resources, and education system helps recruitment of companies come to WI. Our outreach efforts and coordination is competitive with other states.

**Matt:** On the regulatory side, improvements have been made by assigning different people to different projects. They are very pleased with the air programs streamlined efforts for permitting. It is not good for the environment or for business to wait 2-4 years to get a permit. In the future he would like to see web enabled air permitting and more file sharing between agencies.

Q) How has the economy affected staffing?

**Dick:** Many positions are being held open. Of four hundred full time positions, 340 are filled. There is a possibility of layoffs in addition to the furlough time required and lack of pay raises. An Area Development Manager (ADM) in the northwest will be filled as well as the Bureau of Entrepreneurship Director. The ADM position is critical in helping business grow and expand in that area. Not having a small business ombudsman at Commerce has not slowed down our small business advocacy. Zach Brandon, the department's Executive Assistant is a small business owner and understands the issues facing them.

**Matt:** Of 2500 positions in the DNR, 350 are vacant and will remain open. Certain new programs will wait.

Q) Will the American Recovery and Reinvestment Act of 2009 (i.e. federal stimulus package) (ARRA) work?

**Dick:** ARRA funds will be coming for the Bureau of Entrepreneurship, Safety & Buildings, Community Development, and Homelessness prevention. Much of the success of ARRA will depend on the speed of funding going out.

**Matt:** ARRA funds will infuse big money in WI. \$150 million additional funds in clean water, clean diesel, Brownfields, and energy. Agencies must work together.

Q) What is the reasoning behind the emphasis on job creation within ARRA but nothing for existing business? Small businesses are not about expansion right now, more about survival. Why is there no funding available to keep the Janesville GM Plant running?

**Dick:** Legislative changes are being made that will help large companies consolidate. Original Engine Manufacturers (OEM's) have a diverse supply chain, so Commerce is trying to target them by keeping the main headquarters in WI with things like refundable tax credits. This helps to retain the jobs that are already here. Large projects (like GM) are formula driven based on total jobs created. The Janesville GM project probably took into account how many automotive jobs are in the state of Michigan. In addition, the Small Business Administration (SBA) has loosened their restrictions to get money into the hands of small businesses, banks are more inclined to lend with the SBA behind the loan.

**Matt:** There is a national issue on how to get credit flowing again and the banks are still nervous about lending. The federal government needs to get spending into the economy, but

businesses are afraid. ARRA funds come with an unprecedented accountability and transparency. Employment lags behind other economic factors but will come around.

Q) How can the SBEC expand on our role in giving advice to change legislative language and cross over into comprehensive guidance (provide technical assistance to small businesses beyond air pollution; including environmental issues, such as waste, water, etc., to small businesses)? Both Dick and Matt feel there is a need to rethink the fundamentals by expanding our role beyond air pollution. Council members have a strong desire to use the expertise of the council. Since funding for a multimedia approach to environmental assistance was not allocated in this budget we could consider moving for authorization and dealing with funding issue later, potentially start with a Memorandum of Understanding (MOU) and legislative language that does not prohibit comprehensive environmental assistance. Secretary Frank mentioned that this is great timing as the DNR air program is currently retooling. The council should take advantage of this opportunity to expand the program and offer more value to the small business community.

Action: Tom should set up a meeting with the secretaries and Renee has a business plan that can be reviewed.

# Mark McDermind - (DNR)- GreenTier Reauthorization Update

Green Tier has been reauthorized. Legislation was unanimously approved. Now that the program has become law, they will have reduced reporting requirements and the sunset provision was removed entirely. Other expectations are 1) expanding municipal charters and 2) get more flexibility for the Secretary to provide waivers.

# **SBO/SBEAP National Conference Highlights**

The National Conference was held in Kentucky this year. Local keynote speakers were Tom Fitzgerald who spoke on the state of the environment in KY. The Small Business award winner was an autobody shop. The award presentation was held at the Muhammad Ali Center. Byron Kennard's presentation *Small Wonders Report* (sent out via email by Renee previously) was a guest speaker as well.

- Tom gave a presentation on the WI Minnesota collaboration which was well received. Massachusetts and New Hampshire are starting to do the same thing.
- Another topic of discussion was how Iowa dealt with flooding issues last year. They have come up with Best Management Practice document so they are better prepared to deal with a disaster.
- Tom thinks the new administration represents a new opportunity for compliance assistance. At a state level we could showcase what we do such as site visits for legislators on how we assist them (before and after).
- Renee gave out the *Small Business Research Summary* which is put out by the Small Business Office of Advocacy. Regulatory reform submissions can be submitted, they will choose new rules per year based on the number of previous recommendations that have been resolved.
- The Sustainable Green Printing Partnership brochure goes over why becoming a certified SGP is beneficial and how to apply.

Action: Web clip testimonials of a success stories on how businesses are helped by environmental assistance, such as the SBA winners.

## **Printer ERP Results**

The Printer ERP is done. The presentation given by Renee outlines the projects development and results. Using 32 Environmental Business Practice Indicators (EBPIs) with stakeholders a workbook on all environmental regulations was developed and included the inspector checklist and the self-certification checklist. Inspectors visited printers, held workshops and webcasts. Eighty-six self-certifications were submitted in 2007.

Overall findings showed improvements on all regulatory requirements. For performance on 32 EBPIs 17 showed improvement, four showed statistically significant improvements. There were decreased improvements for 13 EBPIs, but none to a significant degree.

Incentives for self-certification did not fill a need for small printers. Most who self-reported did not use the Audit Immunity program and less than 50 printers issued ROP as of January 09, only a few participated in ERP as well. WDNR could reduce their time spent regulating small sources by up to 80% if ERP replaced traditional permits and inspections, for a similar sector.

Regulatory issues with less than 30% in compliance (for all EBPIs) show there is room for improvement. Best management practices are used by less than 30% of shops. Lessons learned are:

- Better list of active printers would increase efficiency and reduce costs
- Improved checklist and training for inspectors would increase efficiency
- Modify workbook and checklist to better serve very small printers
- Mandatory self-certification would improve effectiveness of ERP

#### ERP's future could include

- additional outreach to printers not currently participating
- sending out workbooks and encouraging self-certification to help on the problems they encounter
- Keep the program confidential thru Commerce (vs. DNR)
- Voluntary ERP for small printers with additional training and outreach

The Region 5 autobody project is now going forward, and without grant funding for ERP, there is no money for site visits or inspections to measure future outcomes.

# **National Compliance Advisory Panel Update**

NCAP has been struggling with support issues. EPA's Small business ombudsman staff are finally coming around as to the importance of the committee. Joan Rodgers (ASBO) wants to get involved in the rulemaking process much earlier. The Office of Enforcement and Compliance Assistance (OECA) needs to play a more prominent role.

# **Rule Updates**

What is status of green house rules? The Governor's task force on global warming developed a number of recommendations. The DNR in conjunction with legislators are drafting legislation. The council would like to hear from policy makers about the impact on small business. Find out which regulations are being included. Zach may be able to provide update.

Action: Note to Zach Brandon on recommendations regarding global warming legislation and its impact on small business. Commerce staff will identify a speaker for a future council meeting.

### **Council Updates**

Jeanne is learning about carbon credits and who has the technology they need. How state government will view these credits is unknown. It is difficult to understand the air permitting side of the credits. Jeanne has become involved with the steering committee. She will be involved with a new subcommittee which has been formed on greenhouse gases (GHG).

Dan updated the group with the struggle his dry cleaning operations are having with the pipes melting due to extremely hot water temperatures. Over the course of the past twenty years the leak has created a sinkhole where the boiler was located. They are in the process of updating the pipes and boiler.

Steve says they are just trying to survive the hard economic times. They are cutting all costs that are not necessary and looking at other avenues to stay busy.

Carl is now working for LAD Lake. He is the Major Gifts Officer and is involved in the community outreach and education of troubled youths. One of the main priorities is for those kids that are aging out of foster care, those who turn 18 and need help getting started on their own.

Tom says over 700 additional gasoline station calendars have been requested based on original mailing of ~2500. Because of the new Comm. 10 regulations they have been very popular. The 2010 calendars may include bulk terminals.

Diesel Truck Idling Reduction Grant Program update:

2009 Wisconsin Act 28 (2009 -2011 Biennial State Budget) made changes to the Diesel Truck Idling Reduction Grant Program. These changes include:

- Extends the life of the program to 2015 (originally the program was to sunset in 2011).
- Eliminates the cumulative maximum (i.e., lifetime caps) requirement.
- Requires Commerce to utilize federal ARRA dollars before state funds can be used. There will be no state funds available in 2009. There is potentially \$250,000 available in state funds if Commerce and DNR do not award at least \$2 million in grants to motor carriers. The program will be funded at \$1 million annually in 2012 2015.

American Recovery and Reinvestment (ARRA) funds will be coming for the Diesel Idling Reduction Grant Program. The EPA will be announcing further detail on the award shortly.

# Update: Commerce has been awarded \$2 million in ARRA funding through the EPA.

The Diesel Truck Idling Reduction Grant Program will be implemented in the same way it has in the past, but Commerce expects some minor changes in administering ARRA funds:

- Leased vehicles will be eligible with written consent of the owner
- Grant recipients will not be required to purchase two types of technology
- Only California Air Resources Board (CARB)/US EPA verified technologies will be eligible.

In addition to Commerce receiving ARRA funding, the DNR was awarded \$1.6 million in ARRA funding through the EPA. The DNR set up The Diesel Emission Reduction Act (DERA). A variety of diesel equipment (on-road, off-road and stationary) was eligible under this program. The deadline for accepting applications was August 3, 2009. Awards will be announced soon.

The Wisconsin Diesel Exhaust Retrofit Grant (\$50,000 grant Commerce received from EPA) funds have all been awarded. The program assisted in the purchase of 18 diesel oxidation catalysts, 2 diesel particulate filters and 1 auxiliary power unit.

Next meeting may be hosted by Steve Aldridge in Portage on October 15, 2009. Jeanne Whitish mentioned having a future meeting at the Golf Course.